



Union Steel Products, Incorporated

US EPA RECORDS CENTER REGION 5



471467

May 18, 1992

Mr. Lynn Peterson, Chief
Solid Waste and Emergency Response Branch
United States Environmental Protection Agency
Region 5
77 West Jackson Boulevard
Chicago, IL 60604-3590

Dear Mr. Peterson:

With regard to your request for information for the Albion-Sheridan Township Landfill Site, Albion, Michigan, dated May 3, 1992, I would like to respond to your numbered inquiries in a similar manner.

1. The information herein is provided by Donald D. Carstens, CEO of Union Steel Products, Inc.
2. I have consulted my copy of the purchase agreement for the purchase of Union Steel Products, Inc. dated May 18, 1989.
3. There is no relationship between Eagle-Picher Industries and the current Union Steel Products, Inc. You may be able to obtain additional information from John M. Kamakian, owner of Union Steel Products, Inc. prior to May 18, 1989.
4. The EPA identification numbers for Union Steel Products are MID005318522, MID981099435, and MIT270012859.
5. I acquired Union Steel Products, Inc. on May 18, 1989.
6. Union Steel Products, Inc. was acquired from John M. Kamakian, as Chairman of Union Steel Products, Inc.
7. The current owner of Union Steel Products, Inc. does not have nor have I ever had a relationship with Eagle-Picher Industries.
8. I do not have any records regarding the waste disposal practices of Eagle-Picher Industries.
9. Union Steel Products has not sent waste materials to the site since I took ownership in May, 1989.

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10. Union Steel Products does have liability coverage in place for the time period May 18, 1989 through present. I do not have any information relative to insurance in place prior to that time.

Insurance Company: Hartford Insurance Company
Effective Date: 6/91
Expiration Date: 6/92
Amount of Coverage: \$1 Million
Pollution Exclusion: Yes

Insurance Company: Hartford Insurance Company
Effective Date: 6/90
Expiration Date: 6/91
Amount of Coverage: \$1 Million
Pollution Exclusion: Yes

Insurance Company: Cigna Insurance Company
Effective Date: 5/89
Expiration Date: 6/90
Amount of Coverage: \$1 Million
Pollution Exclusion: Yes

11. A response is not applicable since there was no transaction involving Eagle-Picher.

Sincerely,



Donald D. Carstens
CEO

DDC:ss

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (the "Agreement"), is made this 18th day of May, 1989, between DCMC, INC., a Michigan corporation ("Buyer") and UNION STEEL PRODUCTS, INCORPORATED, a Michigan corporation ("Seller").

In consideration of the premises and the mutual covenants and agreements set forth herein, it is agreed as follows:

1. Purchase and Sale of Assets.

1.1 Assets Being Sold. Subject to the terms and conditions of this Agreement, at the Closing referred to in Section 2.1 hereof (the "Closing"), Seller shall sell and deliver to Buyer all of Seller's right, title and interest in and to all of Seller's properties and assets of every kind, nature and description, real, personal or mixed, tangible or intangible and wherever situated and including all rights of Seller to use of properties and assets owned by another person and Seller's status and interest in employee benefit plans, EXCLUDING ONLY (i) the land, buildings and improvements thereon described in Schedule 1.1; (ii) Seller's minute books, tax returns and stock records; (iii) income tax deposits or estimated payments that may be claimed on Seller's income tax returns; (iv) the name "Union Steel Products," and all logos, trademarks, service marks, trade names and variations of these

marks owned or licensed by Seller; (v) all income tax refunds or adjustments for periods prior to Closing; (vi) Seller's rights under a certain Asset Purchase Agreement between Seller and Collis, Inc. pursuant to which Collis, Inc. purchased the former Elizabethtown, Kentucky division of Seller (the "Elizabethtown Agreement"); and (vii) such other assets, properties or rights as set forth on Schedule 1.1. The business, assets, properties and rights of Seller to be transferred to Buyer hereunder are hereinafter called the "Transferred Assets."

1.2 Consideration. Buyer shall purchase the Transferred Assets and, in full payment for the Transferred Assets at the Closing:

(a) Pay to Seller, by certified or official bank cashier's check, the sum of \$100,000;

(b) Issue and deliver to Seller Buyer's promissory note (the "Note") in form and substance as that attached hereto as Exhibit A, in the original principal amount of \$800,000 (subject to post-closing adjustment as set forth in Section 1.3), secured by a security interest in the Transferred Assets, and the proceeds therefrom, all as set forth in a mortgage (the "Mortgage") and a security agreement (the "Security Agreement") attached hereto as Exhibits B and C, respectively; and

(c) Assume and agree to pay and discharge as they come due in accordance with sound business

practices, and to observe, perform and fulfill Seller's obligations, liabilities and duties under or relating to all debts, obligations and liabilities (whether known, unknown, fixed, contingent, or mixed) existing on the Closing Date or resulting from the operation of Seller's business on or prior to the Closing Date, including, without limitation, liabilities or obligations based on tort, contract or other claims and liabilities or obligations with respect to fees, expenses or costs of any nature, EXCLUDING ONLY (i) liabilities, if any, incurred by Seller as a result of transactions entered into in violation of this Agreement, (ii) liabilities for any federal, state or local income tax arising out of or resulting from the sale, transfer and delivery of the Transferred Assets, or any other income tax liabilities of Seller arising from transactions of Seller prior to the Closing Date, (iii) any claim, liability or obligation relating to the land, buildings and improvements thereon described on Schedule 1.1, including Seller's obligations arising out of the Calhoun County Circuit Court Case, captioned Michigan Department of Natural Resources, et. al. v. Union Steel Products, Inc., Docket No. 88-1810CZ, (iv) as and to the extent applicable to the business of Seller prior to the Closing Date, sales and use taxes, and (v) liabilities and obligations of

Seller under the Elizabethtown Agreement. The liabilities and obligations listed in clauses (i), (ii), (iii), (iv) and (v) of this Section 1.2(c) are hereinafter called the "Retained Liabilities". Without limiting the generality of the foregoing, Buyer shall agree to observe, perform and fulfill the terms and conditions to be observed, performed and fulfilled by Seller under any executory contracts, agreements, commitments or undertakings (x) with any labor union and (y) relating to pensions, profit sharing or other employee benefits payable by Seller to or for the benefit of its employees.

1.3 Post-Closing Adjustment. (a) Seller is in the process of preparing a balance sheet of Seller as at March 31, 1989 (the "Balance Sheet"). The Balance Sheet is being prepared in accordance with the principles applied in the preparation of Seller's March 31, 1988 balance sheet included in the Financial Statements (defined in Section 4.9 hereof). The Balance Sheet, certified by Touche Ross & Co., will be delivered to Price Waterhouse (the "Buyer's Accountants") for review on behalf of Buyer. Seller and Touche Ross & Co. shall consult with the Buyer's Accountants and make such of their records, worksheets and other data available as may be reasonably necessary to permit the Buyer's Accountants to determine the accuracy of the Owners' Equity (as such term is used in the Financial Statement) as determined on the Balance Sheet.

If the Buyer's Accountants and Touche Ross & Co. shall be unable to agree upon the accuracy of the Owners' Equity as shown on the Balance Sheet within 30 days of delivery of the Balance Sheet to the Buyer's Accountants, Buyer and Seller shall submit their points of disagreement to a firm of independent certified public accountants of national standing selected jointly by Touche Ross & Co. and the Buyer's Accountants, whose decision shall be binding. Buyer and Seller shall each bear 50% of the fees and expenses of the accountants so selected and shall each bear all of the fees and expenses of their respective accountants.

(b) On the date that is ten days after acceptance by the Buyer and Seller of the Balance Sheet, if the Owners' Equity, as reflected on the Balance Sheet, is less than \$11,397.00, by more than \$100,000, then the principal amount of the Note shall be reduced by the amount in excess of \$100,000.

2. Closing.

2.1 General. The Closing hereunder shall take place at the offices of Sullivan, Hamilton, Schulz, Kreter & Toth; Tenth Floor, Comerica Building, 25 W. Michigan Mall, Battle Creek, Michigan, at 11:00 a.m., Eastern Daylight Time, on May 18, 1989, or on such earlier or later date as may be agreed by Seller and Buyer in writing (the "Closing Date"), but in any event the Closing shall take place before May 30, 1989 (the "Abandonment Date"). If the Closing does not take place, this Agreement shall terminate on the Abandonment Date, except as

provided in the last sentence of Section 3.1, provided that the foregoing shall not be construed to terminate or otherwise affect any claims either party may have against the other for breach of any obligation arising under this Agreement.

2.2 Deliveries by Seller. At the Closing Seller will, upon due performance by Buyer of its obligations hereunder:

(a) Deliver to Buyer a duly executed warranty deed conveying to Buyer fee simple title to the land included in the Transferred Assets;

(b) Deliver to Buyer a duly executed Bill of Sale and Assignment in the form and substance of that attached hereto as Exhibit D (the "Bill of Sale") and such other duly executed instruments, in form and substance reasonably satisfactory to Buyer's counsel, as are necessary to effect the sale, conveyance, assignment, transfer and delivery to Buyer of the Transferred Assets;

(c) Deliver to Buyer all of the files, documents, papers, agreements, books of account and records pertaining to the business conducted by Seller, and all books and records relating to the Transferred Assets, other than its minute books, tax returns and stock records;

(d) Appoint Buyer and its agents, successors and assigns, the true and lawful attorney-in-fact of


Seller, in the name of Buyer or Seller to collect all trade accounts receivable and to endorse the name of Seller on any checks or drafts received on account of any such receivables;

(e) Deliver to Buyer a duly executed non-competition and license agreement in the form and substance of that attached hereto as Exhibit E (the "Non-Competition and License Agreement"); and

(f) Deliver to Buyer certified resolutions of Seller's shareholders and of its Board of Directors whereby this Agreement was ratified and approved.

2.3 Continuing Obligations. After the Closing, Seller shall, at the request of Buyer, take all action necessary to put Buyer in actual possession and operating control of the Transferred Assets, and shall execute, acknowledge and deliver such further instruments of sale, conveyance, transfer and assignment and take such other action as Buyer may reasonably request in order to more effectively sell, convey, transfer and assign to Buyer any of the Transferred Assets. Nothing herein shall preclude Seller from dissolving.

2.4 Deliveries by Buyer. At the Closing, Buyer shall:

(a) Deliver to Seller a certified or official bank cashier's check, payable to Seller, in the amount of \$400,000; 

(b) Execute and deliver to Seller the Note;

(c) Execute and deliver to Seller each of the

Mortgage and the Security Agreement;

(d) Execute and deliver to Seller a valid and binding undertaking in the form and substance of that attached hereto as Exhibit F (the "Undertaking") and such other duly executed instruments, in form and substance reasonably satisfactory to Seller's counsel, as are necessary to evidence Buyer's assumption of the liabilities and obligations of Seller, pursuant to Section 1.2(c) hereof; and

(e) Deliver to Seller certified resolutions of Buyer's Board of Directors whereby this Agreement was approved.

2.5 Seller's Access After Closing. Following the Closing, Buyer agrees to provide Seller, or its representatives, with access during normal business hours to any of the books and records of Seller to be delivered to Buyer at the Closing, and Buyer agrees not to destroy any of such books and records without giving Seller reasonable prior notice of its intent to do so and an opportunity to take possession of such books and records.

3. Certain Covenants.

3.1 Access. From and after the date of this Agreement and until the Closing, Seller shall afford to the officers, attorneys, accountants and other authorized representatives of Buyer free and full access to its officers, properties, books and records in order that Buyer may have full

opportunity to make such investigations as shall not unreasonably interfere with Seller's operations. All financial statements and other documents and materials furnished in connection therewith to Buyer shall be treated as confidential, except as disclosed in the performance of this Agreement or as otherwise required by law. If the Closing does not take place before the Abandonment Date, all such financial statements, and other documents and materials (and any existing copies thereof) shall be returned to Seller within five days after the Abandonment Date and shall not be used by Buyer in any manner detrimental to Seller.

3.2 Conduct of Business. From the date hereof to the Closing Date, Seller will use its best efforts to continue its operations and to preserve its relationships with suppliers, customers and others having business relations with it. Moreover, Seller shall pay when due, all of its unpaid debts and liabilities, including tax liabilities, which fall due or which are properly payable prior to the Closing Date. Current property taxes will not be prorated at the Closing.

4. Representations and Warranties of Seller.

Seller represents and warrants to Buyer, to the best of Seller's knowledge, as of the date hereof:

4.1 Corporate.

(a) Seller's Board of Directors has authorized the execution and delivery of this Agreement;

(b) Seller has all requisite corporate power to

enter into this Agreement and to consummate the transactions contemplated hereby, subject to the approval thereof by the shareholders of Seller as required under the Michigan Business Corporation Act.

(c) Seller is a corporation duly organized, validly existing, and in good standing under the laws of the State of Michigan. Seller has the corporate power to own or lease its properties and to carry on its business as now being conducted.

4.2 Worker's Compensation and Pension Liabilities.

Seller has fully disclosed or made available to Buyer without any material errors or omissions any and all workers' compensation and pension liabilities of Seller.

4.3 Long Term Purchase Contracts. Seller has fully disclosed or made available to Buyer without any material errors or omissions any and all long term purchase contracts to which Seller is a party.

4.4 Employment Contracts. Seller has no written employment contracts with any of its employees. Consummation of the transactions contemplated hereby shall not give rise to rights of employees of Seller to receive severance payments from Seller; the foregoing representation being made in reliance upon Buyer's representation to Seller (which by signing this Agreement Buyer hereby confirms) that each of Seller's employees will become employees of Buyer contemporaneously with the Closing hereunder.

4.5 Outstanding Credits. Seller has fully disclosed or made available to Buyer without any material errors or omissions all outstanding customer credits extended by Seller to its customers.

4.6 Trademarks, etc. Seller has fully disclosed or made available to Buyer without any material errors or omissions any and all patents, patent applications, trademarks, trademark registration applications, trade names, licenses or copyrights used by Seller in its ordinary course of operation and business.

4.7 Tax Liability. Seller has fully disclosed or made available to Buyer without any material errors or omissions any and all tax liabilities of Seller to any federal, state or local government authority. Seller further represents that any and all assessed tax liabilities of Seller by any federal, state or local governmental authority have been satisfied.

4.8 No Adverse Litigation. Except as previously disclosed to Buyer by Seller in writing, Seller has no knowledge of any suit or proceeding pending or threatened against it, or affecting its assets or property which, if adversely determined (except where fully covered by insurance), would have a material adverse effect on Seller's business, assets or property; Seller is not in default with respect to any order, writ, injunction, or decree of any court or governmental department, commission, board, bureau, agency or

instrumentally, or arbitration award affecting the assets or business of Seller; and Seller is not a party to or subject to any judgment or decree or order entered in any suit or proceeding brought by any federal, state, local or foreign governmental or regulatory body or by another person enjoining it in respect of any business practice or the acquisition of any property or the conduct of any business now or heretofore practiced, owned or carried on by Seller.

4.9 Financial Statements. Seller has delivered to Buyer the balance sheets and statements of operations of Seller as at and for the four years ended March 31, 1988, together with the related notes thereto (the "Financial Statements"). The Financial Statements present fairly the sales and earnings of Seller for each of the periods then ended, and have been prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding period except as otherwise indicated therein.

4.10 Ownership of Assets. Seller has good title to and beneficial ownership in all of its assets, except property which it possesses under leases, free and clear of any liens and security interests, except for (a) liens reflected in the Financial Statements, (b) liens imposed by law and incurred in the ordinary course of business for obligations not yet due to carriers, warehousemen, laborers, materialmen, and the like, (c) liens for current taxes not yet delinquent, (d) liens in respect of pledges or deposits under workers' compensation laws

or similar legislation, (e) minor defects in title, none of which, individually or in the aggregate, materially interferes with the use of such property, and (f) with respect to real property owned by Seller, liens and encumbrances shown on the commitment for title insurance obtained by Buyer in connection with the transactions contemplated hereby, and, with respect to personal property and fixtures owned by Seller, liens and encumbrances shown on searches of Uniform Commercial Code filings obtained by Buyer.

5. Representations and Warranties of Buyer.

Buyer represents and warrants to Seller, as of the date hereof:

5.1 Corporate.

(a) Buyer is duly organized, validly existing and in good standing under the laws of the State of Michigan and has corporate power to own or lease its properties and to carry on its business as it is now being conducted and as proposed to be conducted following completion of the transactions contemplated hereby.

(b) Buyer has all requisite corporate power to enter into this Agreement and to consummate the transactions contemplated hereby.

(c) Buyer's Board of Directors has duly authorized the execution and delivery of this Agreement, and the other agreements and instruments to

be executed and delivered by it pursuant hereto.

(d) The Note to be delivered at the Closing shall have been duly authorized, and upon its execution and delivery in accordance with the provisions of this Agreement, will constitute the legal, valid and binding obligation of Buyer enforceable in accordance with its terms, except insofar as enforceability thereof may be limited by bankruptcy, insolvency or similar laws effecting the enforcement of creditors' rights generally.

5.2 Financing. Buyer has sufficient funds available in cash or pursuant to existing agreements with, or irrevocable commitments from, financial institutions to consummate the transactions contemplated by this Agreement.

5.3 No Conflict. No approval, authorization, consent or other order or action of or filing with any court, administrative agency or other governmental authority is required for the execution and delivery by Buyer of this Agreement or any of the other agreements or instruments to be executed and delivered by Buyer pursuant hereto or the consummation of the transactions contemplated hereby or thereby. Buyer is not subject to any charter, bylaw, mortgage, agreement, instrument or other restriction of any kind or character which would prevent consummation of this Agreement and the transactions contemplated hereby.

6. Conditions Precedent to Obligations of Buyer.

The obligations of Buyer under this Agreement are, at its option, subject to the conditions that, on or before the Closing Date:

6.1 General.

(a) All the terms, covenants and conditions of this Agreement to be complied with or performed by Seller at or before the Closing Date shall have been duly complied with and performed.

(b) The representations and warranties made by Seller shall be correct in all material respects as at the Closing Date as though such representations and warranties had been made as at the Closing Date. Buyer shall have received a certificate, dated the Closing Date and signed by the Chairman of Seller, in his capacity as such, to the foregoing effect.

6.2 Legal Matters.

(a) Buyer shall have received, at its sole cost and expense, commitments for policies (or a single blanket policy) of title insurance covering all real property interests included in the Transferred Assets.

(b) No action or proceeding before any court or other official body shall have been instituted or threatened against Buyer or in any way related to the transactions contemplated hereby, or which might affect the right of Buyer to own and control the

Transferred Assets after the Closing Date.

6.3 Other.

(a) Buyer shall have received from John M. Kamakian a Non-Competition Agreement in form and substance of that attached hereto as Exhibit G (the "Non-Competition Agreement"), and a Consulting Agreement in form and substance of that attached hereto as Exhibit H (the "Consulting Agreement").

(b) Following its investigation of Seller's business, assets and properties:

(i) Environmental Testing. Buyer has conducted environmental sampling and tests of the operations of Seller and its tangible assets including tests taken on and around the real property of Seller and Buyer is satisfied with all reports and test results of said samplings that such tests have not established an environmental danger so as to materially affect the financial condition of Seller, currently, or of Buyer, following consummation of the transactions contemplated hereby.

(ii) Worker's Compensation and Pension Liabilities. Buyer, in its judgment, is satisfied with the workers' compensation and pension liabilities as it effects the financial condition and business operation of Seller.

(iii) Purchase Contracts. Buyer, in its judgment, is satisfied with all outstanding customer credits extended by Seller to its customers as it effects the financial condition and business operation of Seller.

(iv) Certificate of Good Standing. Seller has provided Buyer with a certified copy of a Certificate of Good Standing.

(v) Written Approvals. Written approvals or consents in form, substance and manner of execution satisfactory to Buyer have been obtained, or will be obtained subsequent to the Closing, with respect to each contract, agreement, plan, lease and license requiring such approval or consent.

(vi) Governmental Approvals. All governmental bodies, agencies and authorities have, to the Buyer's satisfaction, given all necessary approvals or consents to the transactions contemplated herein.

7. Conditions Precedent to Obligations of Seller.

The obligations of Seller under this Agreement are, at the option of Seller, subject to the conditions that, on or before the Closing Date:

7.1 General.

(a) All the terms, covenants and conditions of

this Agreement to be complied with and performed by Buyer at or before the Closing Date shall have been duly complied with and performed.

(b) The representations and warranties made by Buyer herein shall be correct as at the Closing Date in all material respects as though such representations and warranties had been made at the Closing Date. Seller shall have received a certificate, dated the Closing Date and signed by the president of the Buyer, in his capacity as such, to the foregoing effect.

7.2 Legal Matters. No action or proceeding before any court or other official body shall have been instituted or threatened against Seller or in any way related to the transactions contemplated hereby, which might affect the right of Seller to sell the Transferred Assets to Buyer as contemplated by this Agreement.

7.3 Other.

(a) Seller shall have received the requisite approval of its shareholders to consummate the transactions contemplated by this Agreement.

(b) Buyer shall have delivered to John M. Kamakian the Non-Competition Agreement, together with the initial payment due thereunder, by certified or official bank cashier's check payable to John M. Kamakian, in the amount of \$550,000, and the

Consulting Agreement, as each are referred to in Section 6.3(a).

(c) Buyer shall have delivered to Seller satisfactory evidence of the payment in full by Buyer of Seller's outstanding indebtedness to Michigan National Bank, and releases and discharges from such bank of any and all collateral securing such indebtedness and all personal guarantees of John M. Kamakian.

8. Indemnification and Remedies.

8.1 Indemnification by Seller. After the Closing Date, Seller shall indemnify and hold harmless Buyer from or against any liability, loss, damage or expense (including reasonable counsel fees incurred in litigation or otherwise) incurred or sustained by the Purchaser, but after giving effect to any net tax benefit arising therefrom and any net insurance recovery arising out of, or in any way incident, relating or attributable to (a) any inaccuracy of any representation or warranty herein or in any writing delivered by Seller pursuant hereto, (b) any breach of or failure to perform any covenant, condition or undertaking of Seller contained herein or in the other agreements or instruments delivered by Seller at the Closing pursuant hereto, or (c) the Retained Liabilities.

8.2 Indemnification by Buyer. After the Closing Date, Buyer shall indemnify Seller and hold Seller harmless from or against any liability, loss, damage or expense

(including reasonable counsel fees incurred in litigation or otherwise) incurred or sustained by Seller, but after giving effect to any net tax benefit arising therefrom and any net insurance recovery arising out of, or in any way incident, relating or attributable to (a) any inaccuracy of any representation or warranty herein or in any writing delivered by Buyer pursuant hereto or (b) any breach of or failure to perform any covenant, condition or undertaking of Buyer contained herein or in the other agreements or instruments delivered by Buyer at the Closing pursuant hereto.

8.3 Survival of Warranties. The representations and warranties of the parties contained in this Agreement or in any writing delivered pursuant to the provisions of this Agreement shall survive the Closing for a period of 18 months, and no action may be brought hereunder or thereunder or relating to the transactions contemplated hereby or thereby after the expiration of such 18 month period.

8.4 Liability Threshold. Notwithstanding anything to the contrary set forth in this Agreement, Seller shall not be liable hereunder to Buyer as a result of any misrepresentation or breach of any representation, warranty or agreement contained in this Agreement unless the losses, liabilities or damages incurred by Buyer as a result of such misrepresentations or breaches shall exceed in the aggregate \$25,000, and Seller's liability to Buyer on account of such losses, liabilities or damages shall thereafter be limited to

the amount in excess of \$25,000.

8.5 Liability Limitation. The maximum liability Seller shall have to Buyer hereunder or relating to the transactions contemplated hereby shall be equal to the sum of the consideration paid by Buyer to Seller for the Transferred Assets as set forth in Sections 1.2(a) and 1.2(b) hereof.

8.6 Set-off. Buyer agrees that any claim to which it is entitled to be indemnified under the provisions of this Agreement will be satisfied first by set-off equal to the amount of such claim against the ~~latest maturing installment of~~ principal due on the Note, until such principal amount is exhausted.

9. Miscellaneous.

(a) Seller and Buyer may, by written notice to the other (i) extend the time for the performance of any of the obligations or other acts of the other, (ii) waive any inaccuracies in the representations of the other contained in this Agreement or in any document delivered pursuant to this Agreement, and (iii) waive compliance with any of the covenants of the other contained in this Agreement and waive performance of any of the obligations of the other. Any such extension or waiver shall be validly and sufficiently authorized for the purposes of this Agreement, if on behalf of the Seller, signed by John M. Kamakian, or, if on behalf of Buyer, signed by

Donald D. Carstens.

(b) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided that no party shall assign any of its rights, privileges or obligations hereunder without the prior written consent of the other party hereto.

(c) Seller agrees that all fees and expenses incurred by it in connection with this Agreement shall be borne by it and Buyer agrees that all fees and expenses incurred by it in connection with this Agreement shall be borne by it. Buyer shall pay the cost of the title insurance referred to in Section 6.2(a) and the cost of the environmental testing referred to in Section 6.3(b)(i).

(d) This Agreement and the Schedules and other writings referred to herein or delivered pursuant hereto which form a part hereof contain the entire understanding of the parties with respect to its subject matter. There are no restrictions, promises, warranties, covenants or undertakings other than as expressly set forth herein or therein. This Agreement supersedes all prior agreements and understandings between the parties with respect to its subject matter. This Agreement may be amended only by a written instrument duly executed by the parties. Any

condition to a party's obligations hereunder may be waived in writing by such party.

(e) The section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

(f) All notices, claims, certificates, requests, demands and other communications hereunder will be in writing and will be deemed to have been duly given if delivered or mailed (registered or certified mail, postage prepaid, return receipt requested) as follows:

If to Seller: Union Steel Products, Incorporated
500 N. Berrien Street
Albion, Michigan 49224
Attn: John M. Kamakian, President

with copies to:
Fredrick M. Miller, Esq.
Dykema Gossett
35th Floor, Renaissance Center
Detroit, Michigan 48243

If to Buyer: DCMC, Inc.
P. O. Box 256
Battle Creek, Michigan 49016
Attn: Donald D. Carstens, President

with copies to:
Robert R. Hamilton, Esq.
Sullivan, Hamilton, Schultz,
Kreter & Toth
Tenth Floor, Comerica Building
Battle Creek, Michigan 49017

(g) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement.

(h) Buyer waives compliance with the provisions of any applicable bulk sales law, and in consideration thereof, Seller agrees to indemnify and hold harmless Buyer from and against any liability or claim which may be asserted against Buyer as a result of not complying with any such law. Nothing herein shall affect the assumption of the Seller's liabilities and obligations as set forth in Section 1.2(c) hereof.

(i) Seller shall be obligated and responsible for brokerage or finder fees incurred by Seller as a result of this Agreement, and Buyer shall be obligated and responsible for brokerage or finder fees incurred by Buyer as a result of this Agreement. Seller and Buyer each agree to indemnify and hold the other harmless from and against any and all loss, cost, damage and expense which either of them sustains or which may be asserted against the other by reason of a claim for compensation by any person, firm or corporation introduced by the indemnifying party in connection with the transactions contemplated hereby.

IN WITNESS WHEREOF, this agreement has been duly executed and delivered as of the date first above written by the authorized officers of Seller and Buyer.

DCMC, INC.
a Michigan Corporation

By: *Will D. Cantus*

Its: *President*

UNION STEEL PRODUCTS, INCORPORATED
a Michigan Corporation

By: *John H. Hank*

Its: *Chairman*

Schedule 1.1
to
Asset Purchase Agreement, dated May 18, 1989,
by and between
Union Steel Products, Incorporated
and
DCMC, Inc.

PARCEL IV: LOTS 4, 5, 6, 7, AND 8, BLOCK 5, OF THE ORIGINAL PLAT OF THE VILLAGE (NOW CITY) OF ALBION, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 2 OF PLATS ON PAGE 40 IN THE OFFICE OF THE REGISTER OF DEEDS FOR CALHOUN COUNTY, MICHIGAN.

ALSO VACATED ALLEY SOUTH OF LOTS 4 AND 5 AND THE SOUTH 1-2 OF VACATED ALLEY NORTH OF LOT 8.

PARCEL V: LOTS 20 THROUGH 25 OF BLOCK 2 OF THE PLAT OF THE ORIGINAL VILLAGE (NOW CITY) OF ALBION, ACCORDING TO THE PLAT THEREOF RECORDED IN LIBER 2 OF PLATS ON PAGE 40 IN THE OFFICE OF THE REGISTER OF DEEDS FOR CALHOUN COUNTY, MICHIGAN, EXCEPTING THAT PART OF LOTS 23 AND 24 AS USED FOR STREET PURPOSES ON DIVISION STREET.

ALSO EXCEPT PREMISES AS CONVEYED IN LIBER 1443, PAGE 326 DESCRIBED AS: THE NORTH 50 FEET OF LOTS 20 AND 21, BLOCK 2, ORIGINAL PLAT OF THE VILLAGE (NOW CITY) OF ALBION.

PARCEL VI: BLOCK 4 AND ALL OF BLOCK 15 LYING NORTH OF THE LAKE SHORE AND MICHIGAN SOUTHERN RAILROAD, PLAT OF THE ORIGINAL VILLAGE (NOW CITY) OF ALBION AS RECORDED IN LIBER 2 OF PLATS ON PAGE 40 IN THE OFFICE OF THE REGISTER OF DEEDS FOR CALHOUN COUNTY, MICHIGAN

ALSO LOTS 1 THROUGH 8 OF BLOCK 1 OF HENDERSON AND HALL'S ADDITION TO THE CITY OF ALBION, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 1 OF PLATS ON PAGE 10 IN THE OFFICE OF THE REGISTER OF DEEDS FOR CALHOUN COUNTY, MICHIGAN.

ALSO BEGINNING AT THE NORTHEAST CORNER OF LOT 8 OF HENDERSON AND HALL'S ADDITION TO THE CITY OF ALBION; THENCE EAST 70.15 FEET TO THE WEST LINE OF BIDWELL STREET; THENCE SOUTH ALONG SAID WEST STREET LINE 215.22 FEET TO THE NORTH LINE OF SAID LAKE SHORE AND MICHIGAN SOUTHERN RAILROAD; THENCE SOUTHWESTERLY ALONG SAID RAILROAD LINE TO THE SOUTHEAST CORNER OF SAID LOT 8, 251 FEET TO THE PLACE OF BEGINNING.

ALSO VACATED CHESTNUT STREET BETWEEN BLOCKS 4 AND 15 AND VACATED N. HURON STREET LYING NORTH OF THE LAKESHORE AND MICHIGAN SOUTHERN RAILROAD AND SOUTH OF PINE STREET.

PARCEL VII: SO MUCH OF BLOCK 15 OF THE CITY OF ALBION, CALHOUN COUNTY, MICHIGAN AS LIES SOUTH OF THE RIGHT OF WAY OF THE LANSING DIVISION OF THE LAKE SHORE AND MICHIGAN SOUTHERN RAILROAD. BEING ALL OF LOT 8 AND THE SOUTHERLY PORTION OF LOTS 7, 9 AND 10 OF SAID BLOCK 15.

PARCEL VIII: LOTS 7 AND 8 OF WASHINGTON GARDNER'S SECOND ADDITION TO THE CITY OF ALBION, ACCORDING TO THE PLAT THEREOF RECORDED IN LIBER 5 OF PLATS ON PAGE 8 IN THE OFFICE OF THE REGISTER OF DEEDS FOR CALHOUN COUNTY, MICHIGAN.

PARCEL II: ALL OF LOT 5 AND LOT 4 EXCEPTING THE WEST 20 FEET THEREOF OF BLOCK 13 OF THE ORIGINAL PLAT OF THE CITY OF ALBION, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 2 OF PLATS ON PAGE 40 IN THE OFFICE OF THE REGISTER OF DEEDS FOR CALHOUN COUNTY, MICHIGAN.

TOGETHER WITH THE NORTH 1-2 OF VACATED ALLEY ADJOINING.

PARCEL III: BLOCK NUMBER 14 OF THE CITY OF ALBION, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 2 OF PLATS ON PAGE 40 IN THE OFFICE OF THE REGISTER OF DEEDS FOR CALHOUN COUNTY, MICHIGAN. ACCORDING TO THE PLAT THEREOF RECORDED IN LIBER 2 OF PLATS ON PAGE 40 IN THE OFFICE OF THE REGISTER OF DEEDS FOR CALHOUN COUNTY, MICHIGAN, EXCEPTING THAT PART OF LOTS 23 AND 24 AS USED FOR STREET PURPOSES ON DIVISION STREET.

PARCEL IV: PART OF BLOCK 18 OF THE PLAT OF THE ORIGINAL VILLAGE (NOW CITY) OF ALBION, ACCORDING TO THE PLAT THEREOF RECORDED IN LIBER 2 OF PLATS ON PAGE 40 IN THE OFFICE OF THE REGISTER OF DEEDS FOR CALHOUN COUNTY, MICHIGAN, DESCRIBED AS: BEGINNING AT THE NORTHWEST CORNER OF BLOCK 18 OF THE PLAT OF THE ORIGINAL VILLAGE (NOW CITY) OF ALBION: THENCE EAST ALONG THE NORTH LINE OF SAID BLOCK 332.20 FEET; THENCE SOUTH 00 DEGREES 06' WEST ALONG THE EAST LINE OF SAID BLOCK 119.17 FEET; THENCE SOUTHWESTERLY ALONG A CURVE TO THE RIGHT 343.61 FEET (RADIUS 5715.08 FEET, CENTRAL ANGLE 3 DEGREES 26' 10", CHORD 342.71 FEET, CHORD BEARING SOUTH 75 DEGREES 50' 33" WEST) TO THE WEST LINE OF SAID BLOCK; THENCE NORTH 00 DEGREES 06' EAST ALONG SAID WEST BLOCK LINE 202.87 FEET TO THE PLACE OF BEGINNING.

PARCEL V: BEGINNING AT THE NORTHWEST CORNER OF BLOCK 17, OF THE PLAT OF VILLAGE OF ALBION, MICHIGAN, AS RECORDED IN LIBER 2 OF PLATS ON PAGE 40 IN THE OFFICE OF THE REGISTER OF DEEDS FOR CALHOUN COUNTY, MICHIGAN; THENCE SOUTH 0 DEGREE 06' WEST ALONG THE EAST LINE OF MONROE STREET 97.42 FEET TO A POINT 14.50 FEET MEASURED RADially FROM THE CENTERLINE OF A RAILROAD TRACK; THENCE NORTHEASTERLY 14.50 FEET FROM AND PARALLEL TO SAID CENTERLINE, ON A CURVE TO THE LEFT 264.44 FEET, (RADIUS 5715.08 FEET, CENTRAL ANGLE 2 DEGREES 38' 40", CHORD 263.82 FEET, CHORD BEARING NORTH 68 DEGREES 19' 45" EAST) TO THE SOUTH LINE OF MULBERRY STREET; THENCE WEST ALONG SAID SOUTH LINE 245.00 FEET TO THE PLACE OF BEGINNING.

THIS AGREEMENT ("Agreement") dated the 18th day of March, 1982, is between EAGLE-PICHER INDUSTRIES, INC., an Ohio corporation ("Seller"), and USP, Inc., a Michigan corporation ("Purchaser").

In consideration of the mutual promises, covenants and undertakings hereinafter set forth, Seller and Purchaser agree as follows:

1. TRANSFER OF ASSETS. Subject to the terms and conditions of this Agreement, at the closing referred to in Section 16 hereof (the "Closing"), Seller shall sell and deliver to Purchaser all of Seller's right, title and interest in and to all of the properties and assets of every kind, nature and description, real, personal or mixed, tangible or intangible and wherever situated, owned or used by Seller's Union Steel Products Division (the "Division") whether such assets, properties and rights are owned by Seller or the Division, EXCLUDING ONLY (i) the assets listed in Schedule 6 used by the Division in the design, manufacture and sale of wood burning stoves, (ii) the Division's leasehold interest in the Elkhart, Indiana facility where the stoves are presently assembled and stored, and (iii) accounts receivable, technical information, personal property and inventory that are used by the Division in the design, manufacture and sale of wood burning stoves. The business, assets, property and rights of

Seller to be transferred to Purchaser hereunder are hereinafter called the "Transferred Assets". Without limiting the generality of the foregoing, the Transferred Assets shall include all of the assets, properties and rights of Seller reflected on the Balance Sheet of the Division as at November 30, 1981 except such assets, properties and rights as may have been disposed of prior to the Closing Date in the ordinary course of business or with the knowledge and consent of Purchaser as expressly disclosed herein or permitted hereby, and by way of description, but not in limitation, including all of the following:

(a) The land and the buildings, structures, fixtures and improvements thereon located in Albion, Michigan. The land is described in Schedule 1 ("Albion Real Estate").

(b) All of Seller's interest under a certain Lease Agreement between the City of Elizabethtown, Kentucky, as Lessor, and Union Steel Products Company of Kentucky, as Lessee, dated as of December 1, 1971 ("Lease"), which lease includes the land and the buildings, structures, fixtures and improvements thereon located in Elizabethtown, Kentucky, and certain personal property therein. The land is described in Schedule 2 ("Elizabethtown Real Estate").

(c) All of Seller's interest in the machinery and equipment used in the production, handling, distribution and sale of products at the Albion and Elizabethtown plants

together with any construction in progress, furniture and fixtures and autos, trucks and transportation equipment pertaining thereto, ("Machinery and Equipment"). Most of the assets of this type that are located in Albion are owned by Seller although there are some such assets there and at Elizabethtown which are leased under conventional leases. These conventional leases are identified in Schedule 101 to this Agreement. The assets of this type at Elizabethtown that were purchased with industrial revenue bond proceeds are not owned outright by Seller, but are considered "Leased Equipment" under the Lease which is also being conveyed to Purchaser. Schedule 3 is intended as a fair representation of the types and kinds of assets involved and is presented for disclosure purposes only. No warranty is made that all of the items on Schedule 3 are still in existence.

(d) All inventions, processes, designs, trade secrets, know-how and technology, whether under license or owned, including all drawings, plans, specifications, blueprints, instructions, records, data, information, knowledge or procedures ("Technical Information").

(e) All tangible and intangible personal property such as tooling, cash, prepaid expenses, deposits, bank accounts, safe-deposit boxes, copyrights, computer data, computer printouts, lists of customers and suppliers, commercial sales

records, sales literature, sales aids, advertising material, price lists, packaging and shipping material, small parts inventory, maintenance and manufacturing supplies, transferable governmental permits, purchase contracts, orders from customers, purchase commitments, and all other business records ("Personal Property").

(f) The right to use the name, "Union Steel Products", and all logos, trademarks, service marks, trade names and variations of these marks owned or licensed by Seller, including all federal, state and common law rights protecting such marks in the United States of America and throughout the world, including but not limited to the marks and licenses listed on Schedule 4 ("Trademarks and Licenses").

(g) All patents, reissues, continuances, and applications for patents owned or licensed by Seller including all federal, state and common law rights protecting such patents in the United States of America and throughout the world, including but not limited to the patents and licenses listed on Schedule 5 ("Patents and Licenses").

(h) All inventories of raw materials, work in process, and finished goods ("Inventory").

(i) All accounts receivable.

2. INSTRUMENTS OF CONVEYANCE. The Transferred Assets shall be conveyed to Purchaser by such instruments of transfer and conveyance as Purchaser may reasonably request. Said instruments shall be effective, in the opinion of its counsel, to vest in the Purchaser all of Seller's right, title and interest in and to the Transferred Assets and shall consist of at least the following documents:

(a) The land described in Schedule 1 shall be conveyed to Purchaser by the delivery of a General Warranty Deed substantially in the form attached hereto as Exhibit A along with all title insurance pertaining thereto and a copy of a certified survey obtained by Seller in connection with the sale contemplated by this Agreement.

(b) The Lease shall be assigned to Purchaser by an Assignment and Assumption Agreement substantially in the form attached hereto as Exhibit B. If requested, Seller shall also deliver a Quitclaim deed for the land described in Schedule 2. Upon discharge of the Elizabethtown, Kentucky, Industrial Revenue Bonds (series 1971), ("Industrial Revenue Bonds"), Seller shall take any steps reasonably requested by Purchaser to cause to be conveyed to Purchaser the land, buildings, fixtures, improvements and all personal property at Elizabethtown free from any encumbrance including, without limitation, those arising out of the Industrial Revenue Bonds, excepting only any encumbrance arising out of the act or omission of Purchaser.

(c) The Machinery and Equipment shall be conveyed to Purchaser by a Bill of Sale substantially in the form attached hereto as Exhibit C.

3. PURCHASE PRICE.

(a) The aggregate price ("Purchase Price") to be paid by Purchaser to Seller in consideration for the Transferred Assets shall be the sum of the following amounts in (b), below, plus the assumption of liabilities and obligations of Seller as provided in Section 6.

(b) On the Closing Date, Purchaser shall deliver to Seller:

(i) \$5,000,000 or such other amount as Purchaser and Seller may agree to in writing at Closing after a mutual consideration of the Division's Account Current activity since November 30, 1981, in immediately payable funds by wire transfer of such funds to Seller's account. Such other amount shall be taken into account in adjusting the Purchase Price at Settlement. The Division's Account Current is the sum of its general ledger accounts (Nos. 900441 and 900450) which reflect cash receipts of the Division, cash disbursements of the Division, receipts and disbursements on behalf of the Division by Seller, and Seller's monthly "home office charges" to the Division. The amount to be paid at Closing shall be adjusted on the Settlement

Date, as defined below, upward or downward, in an amount equal to the change in the Division's Account Current between November 30, 1981, and the Closing. If the Account Current increases during that time, Purchaser shall pay Seller the amount of such increase at Settlement. If the Account Current decreases during that time, Seller shall pay Purchaser the amount of such decrease at Settlement. In making the foregoing adjustments and payments, Purchaser and Seller agree to exclude from the Account Current Seller's monthly "home office charges" to the Division and any receipts or disbursements resulting from or attributable to the design, manufacture and sale of wood burning stoves; and

(ii) The promissory note of Purchaser in the original principal amount of \$1,500,000 ("Note").

(c) The Note shall be non-negotiable, substantially in the form of Exhibit E hereto, and shall bear interest at the rate of 15% per annum, which interest shall be payable on the last day of each month on the outstanding balance due under the Note. Principal shall be paid in 47 equal monthly installments of \$25,000.00 plus a final installment payment in an amount equal to the outstanding balance due under the Note. Principal payments shall commence on the last day of the 13th month following the Closing Date and subsequent payments shall be paid

on the same date each month until the final principal payment is made.

(d) The Purchase Price shall be allocated among the Transferred Assets as set forth on Exhibit F. The parties hereto agree that the values so allocated shall control for federal income tax purposes.

4. SECURITY INTEREST.

(a) Purchaser hereby grants to Seller and Seller hereby reserves a purchase money security interest in the Elizabethtown, Kentucky facility to secure payment of Purchaser's obligations under the Note. Seller shall have a security interest in all of the assets of every kind and description located at the Elizabethtown, Kentucky facility or used in connection with the business conducted there, including but not limited to the Lease, Elizabethtown Real Estate, Machinery and Equipment, including machinery and equipment acquired by Purchaser as replacement for existing Machinery and Equipment which is acquired, at least in part, through the sale or trade-in of such existing Machinery and Equipment ("Replacements"), and all Technical Information, Personal Property, Trademarks and Licenses, Patents and Licenses, Inventories and accounts receivable ("Collateral"). Notwithstanding the foregoing, the Collateral shall not include properties or assets (other than Replacements) resulting from

major capital expenditures made by Purchaser after the Closing Date, including, but not limited to, any "Powder Coating" equipment that Purchaser may, from time to time, acquire for and install on the leased premises.

(b) Seller authorizes Purchaser to use and sell inventory, to collect or compromise accounts, and to use, commingle or dispose of proceeds from the sale of inventory in the normal course of its business.

(c) Purchaser shall cooperate with Seller to do all things necessary to perfect Seller's security interest.

(d) Seller shall have the right to enter and inspect the Elizabethtown facility at any reasonable time until the Purchaser's obligations under the Note have been discharged. Further, until such time, Purchaser shall provide Seller with quarterly profit and loss statements and any other financial information requested by Seller relating to the Elizabethtown facility.

(e) Seller agrees to release Collateral as Purchaser makes principal payments on the Note if to do so will not leave Seller, in its opinion, unreasonably unsecured.

(f) In the event Purchaser defaults in any payment due on the Settlement Date or under the Note, and such default continues for 10 days after written notice thereof has been given to Purchaser, Seller shall have the right to require

Purchaser to assemble the Collateral at the Elizabethtown facility and Seller shall thereafter have the right to re-enter and take possession of the Collateral.

5. ASSUMPTION OF LIABILITIES.

(a) On the Closing Date, Purchaser assumes and agrees to pay, perform and discharge as they come due:

(i) All liabilities and obligations of Seller under the leases, licences, contracts, purchase orders and other agreements set forth on Schedule 7;

(ii) All liabilities and obligations of the Division existing on the Closing Date which are reflected in the Division's balance sheet at November 30, 1981 plus all liabilities and obligations incurred by the Division from November 30, 1981 to the Closing Date in the ordinary course of business; provided, however, that Purchaser's liability for any liabilities and obligations of the Division that are not reflected in the Division's balance sheet or which were incurred by the Division other than in the ordinary course of business shall be limited in the aggregate to \$25,000, and all such liabilities that are in excess of that amount shall remain the Seller's obligation;

(iii) All liabilities for Workers Compensation including the existing claims set forth on Schedule 8 and all liabilities for claims filed by both bargaining group and salaried employees, except for those salaried employees indentified on Schedule 102, which are filed on the Closing Date or thereafter whether for pre-existing claims, for the aggravation of previous claims, or for new claims. Liability for claims filed by those salaried employees identified on schedule 102 shall remain the Seller's; and

(iv) All liabilities and obligations under the Lease, except for the rent specified therein which shall remain the Seller's responsibility.

(b) Notwithstanding the foregoing provisions of this Section, Purchaser shall not assume, or agree to pay, perform or discharge any liability, obligation or expense not expressly assumed in Section 5(a) including without limitation the following:

(i) Any liability, obligation or expense of Seller arising out of or incidental to the consummation of the transactions contemplated hereby;

(ii) Any liability, obligation or expense arising out of Seller's group medical insurance or any claims that it covers;

(iii) Any liability for any federal, state or local income taxes or taxes on or measured by income (including interest and penalties thereon) of Seller;

(iv) Any sales, use, gross receipt or other taxes (including interest and penalty thereon) applicable to the period up to the Closing Date or payable with respect to the sale of the Transferred Assets;

(v) Any obligation of Seller under any retirement, pension, or profit-sharing plan or program for salaried employees;

(vi) Any obligation for rent under the Lease;

(vii) Any liability or obligation with respect to the litigation set forth on Schedule 9 attached hereto; or

(viii) Any liability or obligation relating to the Division's wood stove operations or any other business of Seller.

6. ALLOCATION OF TAXES.

(a) All real property taxes and assessments (both general and special), personal property taxes and assessments, fees for business or occupation licences, license and road use fees and any deficiencies (including taxes, penalties and interest) which should have been paid or collected by Seller or which are due or attributable to the period or transactions

occurring during the period up to and including the Closing Date or deficiencies resulting from audits covering all such periods, shall be prorated in accordance with local practice with the Seller paying all such fees, taxes, assessments and deficiencies for all periods up to and including the Closing Date and Purchaser paying all such fees, taxes, assessments and deficiencies for all periods after the Closing Date. Any sales or use taxes applicable to the period up to the Closing Date or any deficiencies or assessments resulting from audits covering such period are the responsibility of Seller, together with any sales or similar taxes resulting from, or required to perfect, the transfer of assets hereunder.

(b) Seller agrees to furnish Purchaser pertinent information from the various real property assessments or bills; personal property tax returns, assessments or bills; business or occupation license returns; and license and road use tax assessments to enable Purchaser to verify the amount of such taxes and fees which are to be prorated hereunder. Seller and Purchaser each mutually agree to immediately notify the other in the event any additional taxes are assessed or proposed to be assessed against either party relating to the period up to and including the Closing Date. Seller shall have the right to contest in good faith any imposition of a tax relating to periods prior to the Closing Date.

(c) Seller shall provide Purchaser with these prorrations on or before the Settlement Date and any payments resulting from the prorrations shall be a part of the settlement of outstanding financial issues on that date.

7. EMPLOYEES AND EMPLOYEE BENEFITS. Seller will not, except with Purchaser's consent, offer continued employment after the Closing Date to any of the Division's employees other than Robert C. Orr, Ronald P. Stewart, Robert V. Pritula and Charles W. Jones. Nothing contained in this Agreement shall constitute or be construed as a contract of employment between Purchaser and any of the Division's employees and any employee hired by Purchaser shall remain subject to discharge and layoff by Purchaser.

8. COLLECTIVE BARGAINING AGREEMENT. Purchaser shall assume all obligations under the 1980 Agreement between the Division and Local Union No. 164, as amended, and under the October 19, 1981 Agreement between the Division and Local Union 8118 from and after the Closing Date, and in any case Seller shall have no continuing liability therefor. Seller warrants that except as provided in Schedule 10, no arbitration proceedings or NLRB charges have been filed since December 1, 1979.

9. PENSION PLANS.

(a) Seller represents and warrants that:

(i) The Union Steel Products Hourly Employees Pension Plan ("Plan 207") and the Pension Plan for Hourly Employees of Union Steel Products Division at Elizabethtown, Kentucky, ("Plan 607") (together referred to as the "Pension Plans") have been adopted by Seller and restated, respectively, July 1, 1980, and October 11, 1981;

(ii) Determinations that the Pension Plans are qualified under Section 401(a) of the Internal Revenue Code of 1954 ("Code"), and that the Pension Plans are exempt under Section 501(a) of the Code were issued by the District Director of Internal Revenue for the Cincinnati District on May 7, 1981, and March 14, 1980 respectively;

(iii) On December 7, 1981, Seller requested the Internal Revenue Service to make a determination that Plan 607, as amended and restated on October 11, 1981, qualified under Section 401(a) of the Code and that Plan 607 is exempt under Section 501(a) of the Code. The request is currently pending;

(iv) The Pension Plans have been amended, including the amendment disclosed in Section 9(a) (iii), above, in a manner believed to comply in all material respects with the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA");

(v) The Pension Plans have been operated in a manner so as to not cause them to be disqualified under Section 401(a) of the Code;

(vi) The Pension Plans have been operated in a manner so as to not cause any individual or corporation to incur fiduciary liability under Title I of ERISA, and no prohibited transaction within the meaning of Title I or Title II of ERISA has occurred with respect to the Pension Plans;

(vii) All government reports and filings required by law in connection with the Pension Plans have been properly and timely filed and all information required to be distributed to a plan participant or beneficiary has been distributed;

(viii) The benefits accrued under the Pension Plans have been funded in accordance with actuarial assumptions contained therein, and no actuarial assumptions have been changed since the last report of actuaries;

(ix) Minimum funding standards have been met for the Pension Plans for each year to which Section 302 of ERISA or Section 412 of the Code were applicable and no waiver of the minimum funding standards have been requested for any such year;

(x) No events have occurred with respect to the Pension Plans which are required to be reported to the Pension Benefit Guaranty Corporation under Section 4043(b) of ERISA; and

(xi) All premiums required to be paid to the Pension Benefit Guaranty Corporation have been paid.

(b) Effective upon the Closing Date, or as soon thereafter as is practical, Purchaser shall take such steps as are necessary, including execution and adoption of necessary documents, to assume and adopt in full force and effect the Pension Plans. From the Closing Date, the assets and liabilities of the Pension Plans and their continued operation will be the Purchaser's responsibility.

(c) Seller shall transfer the assets of the Pension Plans as follows:

(i) At the end of the calendar quarter following receipt from the Internal Revenue Service of a determination letter that Purchaser has established a trust which is exempt from tax under Section 501 (a) of the Code to which Seller may cause to be transferred from The Eagle-Picher Employees Retirement Trust those assets held to provide benefits under the Pension Plans, Seller will cause such transfer to be made. The assets to be transferred hereunder shall be

those held by the Bank of New York in Funds numbered 207 and 607 and those held by Bankers Life Company, Des Moines, Iowa, under Group Contract 9262. Purchaser agrees to use its best efforts to promptly establish a trust and to obtain the determination letter that the trust is exempt from tax; and

(ii) Seller will cause the Bank of New York and Bankers Life Company to certify and will permit Purchaser or its representative to inspect Seller's books and records to establish that the Purchaser's trustee has received all of the assets to which Purchaser is entitled.

10. MUTUAL REMOVAL OF PROPERTY.

(a) Seller's inventory of wood burning stoves, presently stored in plant number 4 at the Albion, Michigan facility, shall be removed by Seller or its designated agent, at Seller's expense, within ninety (90) days following the Closing Date. Purchaser hereby grants Seller or its designated agents, at Seller's own risk, the right to enter on to the premises at reasonable times and without interference to Purchaser to remove such stoves.

(b) Purchaser shall have the right, at its own risk and expense, at reasonable times and without interference to Seller, to remove the machinery and equipment listed on

Schedule 11 and presently located at Seller's warehouse in Elkhart, Indiana, within ninety (90) days following the Closing Date.

(c) Even though both Seller and Purchaser have agreed to ninety days for the mutual removal of their property from the premises of the other, both hereby agree to employ their best efforts to do so sooner if possible.

11. REPRESENTATIONS AND WARRANTIES OF SELLER.

Seller represents and warrants to Purchaser that each of the following statements is true and correct in all material respects on the date hereof and will be true and correct in all material respects on the Closing Date:

11.1 Corporate.

(a) Seller has authorized the execution and delivery of this Agreement.

(b) Seller has all requisite corporate power to enter into this Agreement and to consummate the transactions contemplated hereby.

(c) Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Ohio with full power and authority to carry on its business. Seller is duly qualified to do business in Michigan and Kentucky.

(d) This Agreement constitutes a valid and binding undertaking of Seller, enforceable in accordance with its terms.

11.2 Financial.

(a) Seller has furnished to Purchaser as Schedule 12, a balance sheet of the Division as at November 30, 1981, and will furnish prior to Settlement a balance sheet as at the Closing Date (collectively described as "Balance Sheets"). The Balance Sheets:

(i) Are in accordance with the Division's books and records:

(ii) Present fairly the Division's financial condition as at November 30, 1981, and as at the Closing Date respectively; and

(iii) Are based upon the Division's past accounting practices and policies consistently applied.

(b) Based upon the Division's past accounting practices and policies consistently applied:

(i) The Balance Sheets make full and adequate provision for all liabilities of the Division; and

(ii) There are no liabilities of the Division as of such dates which are not reserved against in the Balance Sheets.

(c) Except as set forth in Schedule 103, since November 30, 1981, the Division has not (i) incurred any obligation or liability (fixed or contingent), except as incurred in the ordinary course of business; (ii) discharged or satisfied any lien or encumbrance or paid any obligation or liability (fixed or contingent), except current liabilities, disclosed in the November 30, 1981 Balance Sheet, current liabilities incurred since November 30, 1981 in the ordinary course of business and obligations and liabilities reflected on a schedule pursuant to this Agreement; (iii) mortgaged, pledged, or subjected to lien (except liens for taxes not yet due), charge, security interest, or any other encumbrance any of its assets, tangible or intangible; (iv) leased or transferred any of its tangible assets, except inventory sold in the ordinary course of business and except as disclosed in Schedule 103 (v) transferred or granted any right upon any lease, license, agreement, patent, invention, trademark, trade name, copyright, or with respect to know-how or any other intangible asset; (vi) cancelled or compromised any debt or claim by \$10,000 or more; (vii) waived or released any right of material value; (viii) incurred any material amount of damage to or destruction of its assets by fire, storm, or other like or unlike casualty, whether or not covered by insurance; (ix) made or entered into any contract or commitment to make any capital expenditure in excess of \$10,000; or (x)

entered into any material transaction other than in the ordinary course of business, or any material transaction in the ordinary course of business which has been or, to the knowledge of Seller, will be, materially unprofitable.

11.3 Permits; Licenses; Copyrights; Compliance With Laws; etc.

(a) To the best of Seller's knowledge, the Division has all permits, licenses, orders, and approvals of domestic (federal, state, or local) governmental and regulatory bodies required for the conduct of its business as currently being conducted; all such permits, licenses, orders, and approvals are in full force and effect and no suspension or cancellation of any of them is, to the knowledge of Seller, threatened. All such permits, licenses, orders and approvals are transferable to Purchaser in their presently existing form if Purchaser follows the proper transfer procedures and if Purchaser operates as Seller did, and such transfer shall not result in or require any change to the conduct of the Division's business as presently being conducted. Seller has provided Purchaser, as Schedule 14, a list and true copies of all such permits, licenses, orders and approvals.

As disclosed in Schedule 14, Seller has received preliminary approval from the Commonwealth of Kentucky of its Petition to Delist the Wastewater Treatment Sludge (F006) from

its electroplating operation in Elizabethtown, Kentucky. The sludge generated in Seller's operation is now and has been stored on the Elizabethtown premises. The petition is presently pending before the federal EPA awaiting final approval, which approval will exempt the sludge (generated and stored on site) from the hazardous waste generation, storage, disposal and transportation regulations.

Upon receipt of federal EPA approval of Seller's delisting petition all responsibility for all sludge then stored on site shall be Purchaser's. If federal EPA approval is not received, Seller shall, in accordance with all applicable regulations, remove all sludge then stored on site; provided, however, that Purchaser shall pay for removal of sludge generated and stored on site for periods subsequent to the Closing Date at the same rate as that paid by Seller. Seller shall have no responsibility for any sludge generated, stored, or otherwise disposed of after the Closing Date at the Elizabethtown facility.

(b) No hazardous substances as defined in Section 101(14)(c) of Public Law 96-510, are or have been stored, treated or disposed of, as defined in Public Law 89-272, as amended, upon or under the property conveyed, except for those hazardous substances which are currently being stored, treated or disposed of in full conformance with the requirements of Public Law 89-272, as amended, and except for the storage of

electroplating sludge at Albion, Michigan, any and all liability for which will remain Seller's obligation.

(c) To the best of Seller's knowledge, it owns or possesses adequate licenses or other valid rights to use (without the making of any payment to others or the obligation to grant rights to others in exchange, except as disclosed in Schedule 104) all patents, copyrights, trademarks, trade names, know-how, and other proprietary rights (the "Proprietary Rights") necessary to the conduct of the Division's business as presently being conducted. All of the Proprietary Rights owned by or transferred to Seller have been registered with the appropriate governmental agency to the extent required by applicable law. The validity of such Proprietary Rights and the title thereto of Seller have not been questioned in any litigation to which Seller or the Division is a party or by which they may be bound or to which such rights or title are subject, nor, to the best of Seller's knowledge, is any such litigation threatened. To the best of Seller's knowledge, the conduct of the Division's business does not conflict with any valid proprietary right of others in any way likely to adversely affect the Division's business or its condition, financial or otherwise. Seller has no knowledge of any use of any of the Proprietary Rights that has heretofore been or is now being made by any person other than Seller, the Division or a person duly licensed by Seller or the Division to use the same under an agreement delivered to Purchaser.

(d) The conduct of business by the Division does not, to the best of Seller's knowledge, violate or infringe any domestic, (federal, state or local) law, statute, ordinance, license or regulation currently in effect, or to the knowledge of Seller proposed to be in effect, the enforcement of any of which would materially adversely affect the business of the Division or the value of its properties or assets. Seller has not received any notice of violation of, and Seller has no knowledge of, any claim or violation of any applicable law, statute, ordinance, license, or regulation relating to the Division's operations.

11.4 Properties; Absence of Liens and Encumbrances;
etc.

(a) Except as set forth in Schedule 13, Seller has good and marketable title to and owns and will own outright the Transferred Assets (including, without limitation, the assets reflected in the November 30, 1981 Balance Sheet, except as sold or otherwise disposed of in accordance with this Agreement) free and clear of all Mortgages, claims and liens, except for (i) liens for taxes, assessments or governmental charges or levies not yet due and delinquent; and (ii) liens consisting of zoning or planning restrictions, easements, permits and other restrictions or limitations on the use of real property or irregularities in title thereto which do not materially detract from the value of, or impair the use of, such Transferred

Assets. Seller has no notice of any state of facts that would reasonably cause it to believe that such properties that Purchaser will operate after Closing do not conform in all material respects to all applicable laws, orders, regulations, ordinances or governmental or contractual requirements relating to their construction, use or operation.

(b) Seller has furnished to Purchaser Schedule 105, which states the correct legal description of all real properties owned by Seller occupied by the Division and a brief description of all structures thereon. The Division is in possession of such properties. None of such properties or the use thereof in connection with the Division's business is to the best of Seller's knowledge in material violation of any building code, municipal ordinance, regulation or rule applicable thereto, and there are no known encroachments or projections upon or with respect to such properties. No condemnation proceedings are pending or, to the best of Seller's knowledge, threatened or contemplated, which would affect the use of such properties. Seller has furnished to Purchaser certified surveys of the real properties owned by Seller and occupied by the Division. Such surveys were accurate when prepared and to the best of Seller's knowledge, nothing has occurred since preparation which would adversely affect the accuracy of such survey as it relates to such real property.

(c) All accounts receivable, notes receivable and mortgages receivable (the "Receivables") appearing on the books of the Division as at November 30, 1981 and all receivables recorded on the books of the Division between such date and the Closing Date represent, to the best of Seller's knowledge, valid and binding obligations to the Division without set-off or counter-claim. Seller has delivered to Purchaser as Schedule 106 a list and true copies of all notes and mortgages receivable.

(d) Seller has furnished to Purchaser as Schedules 4 and 5 a list of all of the Division's patents, patent applications, copyrights, trade names, trademarks, inventions and licenses under which the Division owns or claims rights, and shall, upon request, furnish to Purchaser true copies of any documents evidencing the same. Seller owns the entire right, title and interest in and to the letters patent, patent applications and inventions, trade names, trademarks, copyrights and licenses so listed, and has not granted any rights therein to any other person except as disclosed in Schedules 4 and 5.

11.5 Agreements, Plans, etc.

(a) Seller has furnished to Purchaser as Schedule 107 a list and true copies of all leases or agreements under which

the Division is lessee of or holds or operates any real property owned by any third party, or any personal property owned by a third party and calling for payments in excess of \$5,000 per year. Seller is the owner and holder of all the leasehold estates purported to be granted by such instruments, in each case free and clear of any security interests, claims, liens (including tax liens), forfeitures, mortgages, pledges, penalties, encumbrances or charges whatsoever, except as otherwise stated in an exhibit to such schedule. Each of said leases and agreements is in full force and effect, constitutes a legal, valid and binding obligation of the respective parties thereto, enforceable in accordance with its terms.

(b) Seller has furnished to Purchaser as Schedule 108 a list and true copies (or a brief description of an oral arrangement) of all contracts and other commitments (written or oral, express or implied) to which the Division is a party, which fall within the following categories: (i) employment contract or commitment for a period of more than one year or requiring payments in the aggregate of more than \$50,000; (ii) contract with or commitment to any labor union or association; (iii) bonus, pension, profit-sharing, retirement, or other plan providing employment benefits; (iv) contract or commitment for any capital expenditures in excess of \$10,000; (v) loan agreement; (vi) any material longterm supply arrangement; (vii) warranty or guaranty with respect to its product; and (viii) other

contract or commitment which is otherwise material to the business or properties of the Division.

(c) The Division has in all material respects performed all obligations required to be performed by it and is not in default and will not be in default as a result of the consummation of the transactions contemplated herein under any material contract, agreement, lease, license, or other instrument to which it is a party or by which it is bound. To the best of Seller's knowledge, the other party to any contract or commitment with the Division is not in default in any material respect.

(d) All unfilled purchase and sales orders and all other unfilled commitments for purchases and sales made by the Division were made in the usual and ordinary course of its business.

11.6 Other.

(a) To the best of Seller's knowledge, the Division is in compliance with all federal, state, and local laws respecting employment and employment practices, terms and conditions of employment, and wages and hours, and is not engaged in any unfair labor practice; there is no labor strike, dispute, grievance, controversy, or other labor trouble pending or, to the knowledge of any officer of Seller, threatened, affecting the Division's business, and no representation question exists respecting the employees of the Division.

(b) Except as set forth in Schedules 8 (Worker's Compensation), 9 (Retained Litigation), 10 (Labor Matters), and 15, Seller has no knowledge of any investigation since December 1, 1979, by any governmental agency pending, threatened against or materially adversely affecting the Transferred Assets; any action, suit, proceeding or claim closed, pending or threatened against the Division or its business, properties, or Transferred Assets which might have a material adverse effect on the Transferred Assets or on the transactions contemplated by this Agreement; any outstanding order, writ, injunction, decree, judgment or award of any court, government or governmental agency that materially adversely affects the Division, its business, properties or the Transferred Assets; and any assertion that Seller is in violation of any law, regulation, ordinance, order, injunction or decree or any requirement of any governmental body or court with respect to the federal Occupational Safety and Health Act or any federal, state, county or local ordinance relating to the laws affecting the environment or employee safety.

(c) Seller shall pay when due all rentals required by the Lease; shall redeem and retire the Industrial Revenue bonds on the original maturity dates and shall not do anything or fail to do anything that would breach any of the terms, conditions or covenants of the Lease. Following the satisfaction of

the bonds, if Purchaser is not in arrears in any payment required by this Agreement, Seller shall do whatever is reasonably required of it to enable Purchaser to exercise the option to purchase that is assigned to Purchaser along with the Lease.

(d) Seller has not retained any finder or broker who is or may be entitled to a fee as a result of any transaction contemplated by this Agreement.

12. REPRESENTATIONS AND WARRANTIES OF PURCHASER.

Purchaser represents and warrants to Seller that each of the following statements is true and correct in all material respects on the date hereof and will be true and correct in all material respects on the Closing Date:

12.1 Corporate.

(a) Purchaser has authorized the execution and delivery of this Agreement.

(b) Purchaser has all requisite corporate power to enter into this Agreement and to consummate the transactions contemplated hereby.

(c) Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Michigan with full power and authority to carry on its business, and will qualify or obtain licenses to do business as

a foreign corporation in all States or other jurisdictions in which the nature of its assets or the conduct of its business require such qualification or licensing.

(d) This Agreement constitutes a valid and binding undertaking of Purchaser, enforceable in accordance with its terms.

12.2 Other.

(a) Purchaser has no knowledge of any investigation by any governmental agency pending, threatened against or materially adversely affecting the transactions contemplated by this Agreement; action, suit, proceeding or claim pending or threatened against Purchaser which might have a material adverse effect on the transactions contemplated by this Agreement; or outstanding order, writ, injunction, decree, judgment or award of any court, government or governmental agency against Purchaser that materially adversely affects the transactions contemplated by this Agreement.

(b) Purchaser has not granted a security interest in, nor has it allowed a security interest to be created in, any of the assets of the Elizabethtown facility, which is prior to the security interest of Seller granted hereunder, excluding the existing security interest of the City of Elizabethtown created under the Industrial Revenue Bonds.

(c) Purchaser shall fully perform all of the obligations of the Lessee under the Lease, except for the obligation to pay rent, which shall be retained by Seller, and keep and observe all of the terms, conditions and covenants thereof so that no event occurs that will jeopardize Seller's rights under the Lease, constitute an event of default for the Industrial Revenue Bonds, or that would cause the interest on the Industrial Revenue bonds to become taxable for federal income tax purposes to the owners of the bonds.

(d) In addition to the insurance required under the Lease, Purchaser shall, until such time as the Note is satisfied, purchase and maintain the following insurance coverage:

- (i) Fire and extended coverage casualty insurance in an amount not less than the actual cash value of the Premises;
- (ii) Boiler and machinery insurance; and
- (iii) Comprehensive general liability, contractual liability and product liability insurance with limits of \$1,000,000 for each occurrence of bodily injury or death or for each occurrence of property damage.

Such insurance shall be made payable to Purchaser and Seller as their interests may appear and Purchaser shall furnish to Seller certificates evidencing the coverage required.

13. CONDITIONS PRECEDENT TO OBLIGATIONS OF PURCHASER. The obligations of Purchaser under this Agreement, are at its option, subject to the conditions that, on or before the Closing Date:

(a) All the terms, covenants and conditions of this Agreement to be complied with and performed by Seller at or before the Closing Date shall have been duly complied with and performed.

(b) The representations and warranties made by Seller shall be correct as at the Closing Date with the same force and effect as though such representations and warranties had been made as at the Closing Date.

(c) Purchaser shall have received satisfactory commitments from its lenders.

(d) Purchaser shall have received an opinion of Walter A. Suhre, Jr., Senior Vice President and General Counsel, and James A. Ralston, Attorney, counsel for Seller, addressed to Purchaser and dated the Closing Date, in form and substance satisfactory to Purchaser and its counsel, to the effect that:

(i) The corporate existence, good standing and qualification (or lack of necessity therefor) of Seller are as stated in Section 11.1(c) hereof;

(ii) Seller has the corporate power and authority to enter into and perform any and all of its obligations pursuant to this Agreement;

(iii) All corporate and other proceedings required by law to be taken by Seller in connection with the execution and delivery of this Agreement, and the due consummation of the transactions contemplated hereby have been duly and validly taken;

(iv) This Agreement has been duly and validly executed and delivered by, and is a binding obligation of, Seller, enforceable in accordance with its terms, except insofar as enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditor's rights generally;

(v) Seller has complete and unrestricted power to sell and deliver to Purchaser all of the properties and assets to be sold, conveyed, assigned, transferred and delivered pursuant hereto, and the instruments of sale, conveyance, assignment and transfer executed and delivered to Purchaser hereunder effectively vest in Purchaser all of Seller's title to such properties and assets as contemplated by this Agreement;

(vi) Except as may be specified by such counsel or described in the Agreement, or in any

schedule hereto, such counsel does not know of any action, proceeding, or investigation pending or threatened against Seller, its properties or business, or the transactions contemplated by this Agreement, or of any legal impediment to the continued operation and use in the ordinary course of business of the Division's properties and assets; and

(vii) To the best of their knowledge, neither the execution or delivery of this Agreement nor the consummation of the transactions contemplated hereby will constitute a violation of any law, rule, regulation, order, ordinance, judgment or decree of any governmental authority.

(e) Purchaser shall have received all material consents, approvals, waivers or permits necessary to the effective assignment to Purchaser of the Transferred Assets.

(f) No action or proceeding before any court or of other official bodies shall have been instituted or threatened which might affect the right of Purchaser to own and control the Transferred Assets after the Closing Date.

(g) The instruments of conveyance and transfer referred to in Section 2 shall be satisfactory in form and substance to Purchaser.

(h) Seller shall update the Schedules as of the Closing Date.

(i) Purchaser shall have received commitments for title Insurance from issuers acceptable to it, and on terms and conditions satisfactory to the Purchaser and its Lenders.

(j) Purchaser shall have received such evidence or certificates as it may reasonably require to confirm the fulfillment of the foregoing conditions.

14. CONDITIONS PRECEDENT TO OBLIGATION OF SELLER.

The obligations of Seller under this Agreement are, at its option, subject to the conditions that, on or before the Closing Date:

(a) All the terms, covenants and conditions of this Agreement to be complied with and performed by Purchaser at or before the Closing Date shall have been duly complied and performed.

(b) The representations and warranties made by Purchaser herein shall be correct as at the Closing Date with the same force and effect as though such representations and warranties had been made at the Closing Date.

(c) Seller shall have received an opinion of Dykema, Gossett, Spencer, Goodnow & Trigg, counsel for Purchaser, dated the Closing Date, in form and substance satisfactory to Seller and its counsel to the effect that:

(i) The corporate existence and good standing of Purchaser are as set forth in Section 12.1(c) hereof;

(ii) Purchaser has the corporate power and authority to enter into and perform any and all of its obligations pursuant to this Agreement;

(iii) All corporate proceedings required by law or by the provisions of this Agreement to be taken by Purchaser in connection with this Agreement and the transactions contemplated hereby have been duly and validly taken; and

(iv) This Agreement has been duly and validly executed and delivered by, and is a binding obligation of, Purchaser, enforceable in accordance with its terms, except insofar as enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors rights generally.

15. CONDUCT OF BUSINESS AND OTHER ACTIONS PRIOR TO CLOSING. From and after the date of this Agreement and until the consummation of the Closing, except as Purchaser shall otherwise specifically consent in writing, Seller:

(a) Will not incur or agree to incur any liability or obligation (absolute or contingent) with respect to the Transferred Assets, except current liabilities and liabilities

and obligations consistent with Section 15(d) incurred or entered into in the ordinary course of business as heretofore conducted, and liabilities incurred in connection with the consummation of this Agreement or contemplated by the terms hereof.

(b) Will not grant any general or cost of living increase in the rates of pay of any of its hourly paid employees, except such increases resulting from prior negotiations with unions or other employee organizations, or grant any increase in the salaries or other compensation of salaried employees of Seller without the prior written approval of Purchaser.

(c) Will not authorize any additional capital expenditures in excess of \$10,000.

(d) Will not enter into any contract of more than one (1) year's duration or involving total purchases by Seller of more than \$5,000 over the life of the contract provided, however, that such consent shall be requested only when such contract would be assumed by Purchaser pursuant to this Agreement.

(e) Will not release any of its rights or claims which have substantial value or which could materially affect the Transferred Assets.

(f) Will carry on its business in the ordinary course and in substantially the same manner as heretofore.

(g) Will use its best efforts to maintain and preserve its business organization and operations and to retain the present key employees of Seller so that they may be available to the Purchaser on or after the Closing Date.

(h) Will continue routine maintenance of all plants and equipment.

(i) Will permit Purchaser, its authorized officers, counsel, accountants and other employees and agents, the right to interview personnel at the plants, thoroughly investigate the Transferred Assets and to conduct examinations of its records. Purchaser shall have the unfettered right, subject only to prior notice to Seller, at any reasonable time and without interference to Seller's operations to inspect any records, information systems, financial reports, engineering data, patents, copyrights and technical data and other related items which Purchaser deems necessary and which are located either at the plants or at Seller's administrative headquarters. Purchaser's independent consultants may assist in such examination with free access to the records of Seller, providing reasonable confidentiality agreements are executed between the parties.

(j) Will maintain in full force and effect current insurance coverage on the Transferred Assets up to the Closing Date. Purchaser shall be responsible to maintain insurance on the Transferred Assets at and after the Closing Date. In the event that a substantial amount of Transferred Assets are destroyed or materially damaged prior to Closing, Purchaser may forthwith terminate this Agreement and the transaction contemplated hereunder without liability therefor, or Purchaser at its option may collect from Seller proceeds of insurance and complete the transactions contemplated hereunder.

(k) Will from time to time deliver or make available to Purchaser such lists or other documents, in addition to or supplemental to those specifically referred to in this Agreement, to the end that prior to Closing, Purchaser shall have received or reviewed complete and up-to-date information with respect to the Transferred Assets.

16. CLOSING AND SETTLEMENT.

(a) The Closing of the sale hereunder shall take place at the offices of Dykema, Gossett, Spencer, Goodnow & Trigg, 35th Floor, 400 Renaissance Center, Detroit, Michigan, 48243 at 10:00 a.m. on March 27, 1982 or at such other place and such other time as the parties may mutually agree in writing, but not later than May 17, 1982. If the Closing is not consummated on or before May 17, 1982, either Seller or

Purchaser may at any time thereafter, unless a later Closing date has been mutually agreed upon in writing, terminate its obligations under this Agreement by written notice given to the other party, without liability of any kind on the part of either party to the other party or to any stockholder of such other party. Seller and Purchaser shall use their best efforts to expedite the Closing. Purchaser shall take possession of the Transferred Assets immediately following the Closing.

(b) The settlement of any outstanding financial issues between Seller and Purchaser and the adjustment to the Purchase Price required by Section 3(b)(i) shall take place one month following the Closing Date ("Settlement Date"). On the Settlement Date Seller and Purchaser will exchange financial and other data and will agree on all adjustments to be made. This exchange will take place by telephone conference or at a meeting to be scheduled in writing at the Closing. The agreed upon payments will be made by wire transfer of funds. If agreement cannot be reached, Seller and Purchaser will each nominate a "Big Eight" accounting firm to represent it and the nominees will select a third such firm. The three firms will then determine the issues addressed to them by Seller and Purchaser. Each party shall pay its own expenses and those of the arbitrator it selected. The parties shall equally share the expenses of the third arbitrator.

(c) At the Closing, Seller will, upon due performance by Purchaser of its obligations hereunder:

(i) Execute, acknowledge and deliver to Purchaser such good and sufficient deeds, bills of sale, endorsements, assignments and other good and sufficient instruments of sale, conveyance, transfer and assignment, and all consents of third parties necessary thereto (all in a form and substance satisfactory to Purchaser's counsel), as shall be required in order effectively to vest in Purchaser good, indefeasible and marketable title to the Transferred Assets free and clear of all security interests, liens, mortgages, conditional sales and other title retention agreements, pledges, assessments, covenants, restrictions, reservations, easements and other burdens and encumbrances of any nature except those specifically provided for in the Schedules to be delivered hereunder and except for liens for taxes not yet due;

(ii) Deliver to Purchaser originals, to the extent available, otherwise copies, of all leases, mortgages, licensing royalty or similar agreements, permits, certificates, unexpired warranties, contracts, notices and other items which relate to any of the liabilities being assumed by Purchaser as provided in Section 5 hereof, or to any real estate and the consents, to the assignment thereof;

(iii) Deliver to Purchaser Seller's checks for all transfer taxes, document stamps and recording taxes for real estate transfers;

(iv) Deliver to Purchaser the updated Schedules as provided for in Section 13(h);

(v) Deliver to Purchaser all of the files, documents, papers, agreements, formulae, books of account and records pertaining to the business conducted by the Division; and

(vi) Deliver to Purchaser (a) certified resolutions of Seller's Board of Directors whereby this Agreement was approved, and (b) the legal opinion described in Section 13(d).

(d) At the Closing, Purchaser will upon due performance by Seller of its obligations hereunder:

(i) Deliver to Seller the Purchase Price and the Note required by Section 3(b)(i) and (ii) hereof;

(ii) Deliver to Seller instruments of assumption of liability being assumed by Purchaser as provided for in Section 5 hereof; and

(iii) Deliver to Seller (a) certified resolution of Purchaser's Board of Directors whereby this Agreement was ratified and approved, and (b) the legal opinion described in Section 14(c).

17. FURTHER ASSURANCES. If at any time after the Closing Date Purchaser shall consider or be advised that any further assignment, conveyance or other documents are necessary or desirable to vest, perfect or confirm a record in Purchaser, the title to any of the Transferred Assets or otherwise to carry out the provisions hereof, Seller shall promptly execute and deliver any and all proper deeds, assignments, powers of attorney or other necessary documents and do all things necessary or proper to vest, perfect or confirm title to such property or rights in Purchaser and otherwise to carry out the provisions hereof.

18. USE OF CORPORATE NAME. Notwithstanding anything to the contrary contained herein, for a period of 180 days following the Closing Date and for such other reasonable extensions thereof as Seller may approve, Purchaser shall have a royalty-free license to use any printed sales or packaging materials containing the words "Eagle-Picher" as a Trade Name, Trademark or otherwise; provided, however, Purchaser agrees to use its best efforts to prevent such use from having a detrimental effect upon Seller's rights in and to such words.

19. COVENANT NOT TO COMPETE. For and during a period of five (5) years following the Closing Date, Seller shall not, directly or indirectly, engage, assist or have an active interest in the development, processing, manufacture or sale of, or

act as agent, broker or distributor for any person, firm, corporation or business entity which is or is about to become involved, directly or indirectly, in the manufacture, sale or distribution of the following products: Palletainers and Rigidainers, refrigerator and store shelving, wire baskets, dough troughs, bakery racks, and Circle Air and Kleinert Cabinet products.

It is expressly understood and agreed that this covenant not to compete shall terminate and have no effect if Seller exercises its right to enter and take possession of the Collateral under Section 4 of this Agreement. Seller shall then be entitled to operate the Elizabethtown facility to develop, process, manufacture and sell all products produced there on the Closing Date.

20. SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS.

The parties hereto agree that the representations, warranties and covenants contained herein, except those relating to title to the Transferred Assets and except as provided in Section 12.2(c) and (d), shall survive the Closing hereof for a period of two (2) years following the Closing Date. Purchaser's warranties in Section 12.2(c) and (d) shall survive until the Note provided for in Section 3(b)(ii) is satisfied.

21. MUTUAL INDEMNIFICATION. Purchaser and Seller each agree to indemnify the other against any losses, expenses, claims or liabilities (including reasonable attorneys' fees) which either suffers as a result of the breach by the other of any obligation or warranty under this Agreement. The party seeking indemnification shall notify the other in writing of any breach, liability or asserted liability with reasonable promptness. The party receiving such notice shall have the right to compromise or defend any such matter through counsel of its choice. The written notice required hereunder shall be a condition precedent to liability for indemnification hereunder. The party seeking indemnification agrees to cooperate with the other in any compromise or defense. If the party receiving notice of any breach, liability or asserted liability does not acknowledge such receipt of the written notice within twenty (20) days thereafter, the party seeking indemnification may discharge, compromise or defend the claim and the party which did not acknowledge receipt of notice shall reimburse the other on demand for all amounts incurred including reasonable attorneys' fees.

22. NOTICE. All notices, demands or other communications which are required or which may be given under the provisions of this Agreement shall be in writing and shall be

delivered by registered or certified mail, return receipt requested, postage prepaid:

(a) To Purchaser:

USP, Inc.
500 N. Berrien
Albion, Michigan 49224
Attention: John N. Kamakian

With a copy to:

Frank K. Zinn, Esq.
Dykema, Gossett, Spencer, Goodnow & Trigg
35th Floor, 400 Renaissance Center
Detroit, Michigan 48243

(b) To Seller:

Eagle-Picher Industries, Inc.
P. O. Box 779
Cincinnati, Ohio 45201
Attention: General Counsel

or to such other address as each party may designate in writing in accordance with this paragraph.

23. ASSIGNMENT. This Agreement shall inure to the benefit of and shall be binding upon the successors and permitted assigns of the parties hereto. Neither party hereto shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other party hereto and any such attempted assignment shall be void and of no force or effect except that Purchaser may assign its rights and obligations under this Agreement to any wholly-owned subsidiary.

24. GOVERNING LAW. It is expressly agreed that this Agreement should be construed in accordance with the laws of the State of Michigan.

25. EXPENSES. Each of the parties hereto shall pay its own expenses in connection with this Agreement and the transactions contemplated hereby, including without limitation any legal fees whether or not the transactions contemplated hereby are consummated. Seller shall pay all transfer taxes, document stamps, recording taxes for real estate transfers and all real and personal property taxes, and any sales and use taxes required by Section 6 hereof.

26. RETENTION OF AND ACCESS TO DOCUMENTS.

(a) Purchaser shall retain any and all records and files transferred to it which are required by law to be retained by Seller for the period or periods so required and shall cause such records to be made available to Seller or Seller's designee at Seller's cost whenever necessary to comply with any such requirements or for any other proper purpose. Purchaser shall not destroy or otherwise dispose of any such record within the longer of the period required by law or a period of two (2) years without first advising Seller, and Purchaser shall give Seller reasonable opportunity to take any records which Purchaser no longer desires to retain.

(b) Purchaser shall, without charge to Seller, upon Seller's reasonable request, provide reasonable access to documents transferred to Purchaser pursuant to this Agreement. Seller may make copies of all such documents at Seller's expense. Seller agrees to give reasonable notice to Purchaser of all such requests and to use its best efforts to minimize the interference with Purchaser's business operations.

27. COMPLETE AGREEMENT. This Agreement together with the annexed Schedules and Exhibits constitutes the entire agreement between the parties and may not be changed, altered, terminated or discharged orally and all prior oral and written representations, understandings and agreements between the parties are merged herein.

28. COUNTERPARTS. This Agreement may be executed in more than one counterpart, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

29. HEADINGS. The headings to sections of this Agreement are for the convenience of reference only and do not form a part of this Agreement and shall not in any way affect the interpretation hereof.

IN WITNESS WHEREOF, the parties hereto have duly
executed this Agreement as of the day and year first above
written.

SELLER
EAGLE-PICHER INDUSTRIES, INC.

By: John E. Jansen
Title: SR. VICE PRESIDENT

PURCHASER
USP, INC.

By: Robert E. Mitchell
Title: PRESIDENT

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SCHEDULE 8

WORKER'S COMPENSATION CLAIMS ASSUMED BY PURCHASER

ALBION

Akers, Danny
Asaro, Peter ✓
Bennett, David ✓
Bennett, Lillie ✓
Bieske, Richard
Clemons, George
Coleman, Wanda ✓
Cornell, Richard ✓
Darling, Pauline ✓
DeLong, Harkins ✓
Dillon, William ✓
French, Thomas
Hall, Edna ✓
Hamilton, John ✓
Holbrook, Herbert ✓
Horrell, Gary ✓
Jarosz, Sophie
Johnson, James ✓
Langrige, Charles ✓

Martin, Claude
Miller, Joyce ✓
Oliphant, Dorothy ✓
Perkins, David ✓
Rowe, Williams
Ruckle, Delbert
Selby, Robert ✓
Simpkins, Thomas ✓
Smith, Andrew
Smith, James
Smith Karleen ✓
Stephens, Joseph
Stuart, Edward ✓
Talbot, Ralph
Tingley, Edward ✓
Vincent, Randy ✓
Weger, Leo
Whitney, Loretta ✓
Woods, Palmer

ELIZABETHTOWN

Cash, Lorene
Grimes, Mary L.
Jeffries, Bobbie

*The above lists represent claims by employees for both indemnity payments and related medical expenses. All medical-only claims are paid on a current basis and unless indemnity is sought no separate records are readily available.

Revised 3-26-82

*Jan
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SCHEDULE 9

LITIGATION AND WORKER'S COMPENSATION CLAIMS RETAINED BY SELLER

LITIGATION

Aviles, Jose and Wilna v. Pechter Baking Co., et al. including Union Steel Products, Supreme Court, State of New York, Kings County; Index No. 6280, 1982.

Bonter, Marvel v. B & C Supermarkets and Union Steel Products Co., Circuit Court, Cheboygan, Michigan; Case No. 81-4482 NP, 1981.

Brunette and Brillian Products Inc. v. Union Steel Products, U. S. District Court, W. D. Michigan, S.D.; Case No. K 76-503-CA9, 1976.

Byrne, Jennifer a Minor v. United Steel and Wire Company v. Union Steel Products Company, Circuit Court, Cook County, Illinois, Case No. 78 L 4162, 1978 (Third Party Complaint, 1981).

Eagle-Picher Industries, Inc. and WireFil v. Her Majesty the Queen in the Right of Canada and Greening Donald Company, LTD, Federal Court of Canada, Ottawa; Case No. T-4258-78, 1978.

Hooper Handling v. Union Steel Products, Erie County, Pennsylvania, Common Pleas Court, Case No. 2292-A-1979.

Vernon Company v. Union Steel Products, 10th Judicial District, Battle Creek, Michigan, Case No. 80-0169, 1980.

Woodcutters Manufacturing Inc. v. Eagle-Picher Industries, Inc. and Westing Company, U.S.D.C., W.D. Michigan, Case No. K-81-332, 1981.

INDIANA WORKER'S COMPENSATION CLAIMS

Holdeman, Steve

SCHEDULE 102

I. Albion, Michigan

Geisen, J.
Findley, D.
Maddux, R.
Union, L.
Austin, B.
Halstead, N.
Osborn, R.
Romero, V.
Peckham, R.
Thompson, L.
Smith, W.
Richardson, J.
Sanders, S.
Bearman, F.
Terpenning, W.

Sheffield, N.
Slusher, D.
Mulder, D.
Flogaus, D.
Bushong, D.
Bushong, C.
Dishaw, A.M.
Bynum, P.
Cummings, R.
Littlejohn, K.
Newman, G.
Norton, J.
Sweeney, A.
Gonzales, H.
Jones, C. W.

Maddux, S.
Mosher, W.
Warnsley, E.
Bunde, D.
Lockwood, J.
Koehl, D.
Wiselogel, N.
Pike, J.
Kish, J.
Koether, L.
Borman, G.
Seiter, K.
Driscoll, K.
Pritula, R. V.
Orr, R. C.
Stewart, R. P.

II. Elizabethtown, Kentucky

Leslie Holmes Ellis
Brown, J.
O'Daniel, C.

A handwritten signature in black ink, appearing to read "Jark" with a stylized flourish underneath.

SCHEDULE 12

UNION STEEL PRODUCTS

Description	B/S Total 11/30/81	Less: Stove & Rel Adj.	Adj 11/30 B/S	B/S Total 2/28/82	Less: Stove & Rel Adj.	Adj 2/28/82
Cash	32,100		32,100	32,100		32,100
A/R-Trade	1,931,984	264,416	1,667,568	2,064,482	193,777	1,870,705
Royalties	0		0			0
Bad Debt Reserve	(155,000)	(87,000)	(68,000)	(155,000)	(87,000)	(68,000)
Net Receivables	1,776,984	177,416	1,599,568	1,909,482	106,777	1,802,705
Raw Materials	1,146,319		1,146,319	1,108,453		1,108,453
Wip	1,169,263		1,169,263	928,753		928,753
Mfg. & Fin. Goods	2,797,940	1,403,391	1,394,549	2,307,243	1,302,451	1,004,792
Gross Inventories	5,113,522	1,403,391	3,710,131	4,344,449	1,302,451	3,041,998
Inv. Reserves	(470,000)		(470,000)	(413,514)		(413,514)
Net Inventory	4,643,522	1,403,391	3,240,131	3,930,935	1,302,451	2,628,484
EMP Advances	7,683		7,683	4,848		4,848
155 Prepaid Ins.	178		178	17,200		17,200
162 MNA Ins.	3,596		3,596	2,057		2,057
163 LTD Ins.	(582)		(582)	(506)		(506)
168 Prepaid Rental	2,372		2,372	2,504		2,504
157 Stove	1,197	1,197	0	5,300	5,300	0
158 Stove	(63,274)	(63,274)	0	(88,006)	(88,006)	0
159 Tooling	320,254	320,254	0	309,561	320,254	(10,693)
161 Customer Tooling	0		0	370		370
168 Other Deferred	4,314		4,314	7,842		7,842
167 Med Dias Ins.	(281)		(281)	(278)		(278)
Accts. 140 & 190	0		0	378		378
Total Prepaid	273,457	236,177	17,280	261,270	237,548	23,722
Net PP&E	3,732,674		3,732,674	3,577,248	31,000	3,546,248
Total Assets	10,458,737	1,836,984	8,621,753	9,711,035	1,677,776	8,033,259
200 Accrued Payables	46,900		46,900	46,900		46,900
200 Accounts Payable	323,396	20,000	303,396	501,137	8,000	493,137
217 Savings Bonds	1,178		1,178	1,459		1,459
263 Water Accrual	0		0	5,150		5,150
164 Deferred	15,000		15,000	19,267		19,267
230 Personal Savings	1,254		1,254	1,353		1,353
Total Payables	387,728	20,000	367,728	575,266	8,000	567,266
Acc Payroll	41,150		41,150	50,257		50,257
Acc Vacation	286,201		286,201	220,109		220,109
Acc Holiday	0		0	0		0
Total Payroll	327,351	0	327,351	270,366	0	270,366
Property Tax	155,000	15,000	140,000	67,282	17,000	50,282
Set	0		0	0		0
Total Taxes	155,000	15,000	140,000	67,282	17,000	50,282
271 Pensions	0		0	2,968		2,968
253 Commissions	78,807		78,807	60,459		60,459
254 Unemp Taxes	0		0	0		0
259 FICA	0		0	2,362		2,362
132 Container	11,555		11,555	20,247		20,247
256 Stock	4,000	4,000	0	5,023	5,023	0
262 Inv Taking	0		0	0	0	0
268 Acc Legal	40,000	40,000	0	40,762	40,762	0
270 Acc Contribution	2,500		2,500	0		0
272 Acc Advertising	10,000		10,000	0		0
275 Incentive	37,500		37,500	0		0
281 Medical	20,000		20,000	0		0
453 Stove	64,386	64,386	0	98,780	98,780	0
491 Other Accruals	75,000	60,000	15,000	60,000	60,000	0
269 Employee Act	4,000	0	4,000	0		0
Total Other Liab	347,728	168,386	179,342	290,401	204,565	86,036
Total Current Liab	1,217,807	203,386	1,014,421	1,203,515	229,565	973,950
Workmen's Comp	660,000		660,000	660,119		660,119
Account Current	8,580,930	1,633,598	6,947,332	8,141,155	1,448,211	6,692,944
Plus MD Charge	0		0	145,200		145,200
Net Account Current	8,580,930	1,633,598	6,947,332	7,995,955	1,448,211	6,547,744
Net Income	0		0	(293,754)		(293,754)
Less MD Charge	0		0	145,200		145,200
Adj Net Income	0	0	0	(148,554)	0	(148,554)
Total Equity	8,580,930	1,633,598	9,947,332	7,847,401	1,448,211	6,399,190
Total Liabilities	10,458,737	1,836,984	8,621,753	9,711,035	1,677,776	8,033,259

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SCHEDULE 12

Balance Sheet - 11/30/81

	1	2	3	4	5	6
	TOTAL		STONE		Balance	
	USP		Assets & Liab			
	11/30/81		11/30/81			
Cash	32				32	
Receivables	1932		264		1668	
Reserve	(155)		(87)		(68)	
Net Receivables	1777		177		1600	
Net Inventory	4643		1403		3240	
Prepaid	274		256		18	
Net PP & E	3733				3733	
Total Assets	10459		1836		8623	
Accounts Payable	388		20		368	
Accrued Wages	327				327	
Taxes	155		15		140	
Other	348		168		180	
Workers Comp	660				660	
Net Liabilities	8581		1633		6948	
	12459		1836		8623	

Other liabilities -

Accrual

Stock purchase plan

Stock warranty

Other stock accrual

40

4

60

64

168